

CLASSIFICATION SECRET/SECURITY INFORMATION

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1. Life in Hungary under the Communist regime is very difficult. It is characterized by an atmosphere of insecurity, regimentation, and bureaucratic red tape. People are frightened and suspicious of each other; children often report their parents' activities to Party authorities. Very few people willingly support the regime. The majority of the Hungarian people have finally realized the emptiness of the Communist promises and from year to year they have been hoping for liberation from the regime; their hopes are mainly directed towards the US. In September 1951 they subscribed to the second peace loan with the idea that they would never have to complete payment because liberation would come. They still feel certain it must come sooner or later.
2. The population of Hungary can be divided into four groups according to their place and standard of living in the new society:
 - (a) The older generation, former government employees, high officers, intellectuals, priests, and gentry are the least favored elements. The regime considers them politically unreliable and useless. They are unhappy, impoverished, frightened, and insecure. Their attitude toward the regime and the conditions under which they have to live is that of resignation. Excepted here are those who have declared themselves for the regime and proven their loyalty. The CP is eager to enlist into its ranks members of this group who are outstanding intellectuals, as well as other individuals who could be used as examples to the masses.

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- (b) Industrial workers and white collar employees make up another group which is dissatisfied with the regime. The industrial workers are the worst paid employees and they are dissatisfied with low wages, the Stakhanovite methods (which were intensified in 1951), and the proposed introduction of the "decade" work period. Under this system, instead of working 48 hours per six days, they would have to work 10 days before taking one day off. The workers feel that they have been exploited and betrayed by the regime which promised them a workers' paradise. They cannot strike; they can neither choose their place of work nor leave their jobs without special permission of the government.
- (c) Farmers constitute the third population group. Although they are dissatisfied with high taxes, government pressure to join agricultural cooperatives, and the uncertainty of their earnings as members of cooperatives, they live under better conditions than any other group in Hungary because they are favored by the government 50X1
- (d) The fourth group, comprised of CP members, young people, soldiers and young officers, is the group which supports the regime. The regime is paying the greatest attention to the youth of the country, and workers' and farmers' children are given preference over children of the bourgeoisie. This group of pro-regime individuals is in the minority, but it is very active in working for the Communist Party.
3. There is little social life in Hungary as compared to pre-World War II days. Organizational meetings, lectures, and conferences leave the people almost no leisure. The policy of the regime is to keep everybody busy. Citizens are urged to join the following organizations: the Hungarian Red Cross, the Fighters for Freedom, the organization named "Ready for Work and for Battle", the Hungarian-Soviet Friendship Society, the Hungarian Democratic Youth Organization (DISZ), and the Hungarian Women's Democratic Organization. Children from six to 14 are urged to join the Pioneer Organization. In addition, all employed persons must belong to a trade union.
4. The Hungarian worker is dissatisfied with the over-organization of his free time. Besides having to belong to a trade union and being urged to join the organizations mentioned above (Para 3), he is also asked to join the Free Nation Friendship Circles (Szabad Nep Barati Koeroek), discussion groups which talk over internal and external politics for one hour a week. If he belongs to the Fighters for Freedom (Szabadnag Harcos Szervezet), more of his free time is taken up learning how to use and repair radios and cars. This organization also teaches Morse code as well as marksmanship. The worker is also urged to try for membership in the Communist Party (the Hungarian Workers Party - Magyar Dolgozok Partja - MDP). Workers are entitled to 12 days leave per year. Workers get credit for the years they have been employed; for every three years of work up to 1945, a worker is entitled to one extra day of vacation and for every two years he has worked since 1945, he gets one extra day. Thus if a person had been working since 1939, in 1952 he would be entitled to a vacation of 17 days. The maximum vacation period is 48 days a year. Trade unions have their own rest areas where workers may spend their vacations. The cost is low and railroad fare to the rest area is free. In order to tighten its control over employees of all kinds, the regime introduced, in February 1952, a "worker's book" (Munka koenyv) which is kept by the employer; a worker may not get a job without it. The book is not given to the worker when he is reassigned, but is transmitted by the

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management with remarks on the worker's efficiency, political reliability, etc. Pensions were abolished in December 1951 and an old age insurance system was set up for all employees beginning in 1952; this system does not apply to pensioners, and the aged unemployed. Under this system the employee pays one and one-half per cent of his salary toward the old age insurance which entitles him to 30 per cent of his wages upon retirement.

5. The average monthly wage of the Hungarian industrial worker is 500-800 forints per month. Construction workers are the best paid laborers; they earn from 800 to one thousand forints per month. The following are some examples of monthly wages (in forints):

Minister in the government - Maximum salary - three thousand.
 Government employee - up to 1,500.
 Army lieutenant - two thousand
 University professor - 1,500-2,500.
 Physician (beginning salary) - 700.
 Chemist in a factory laboratory - 800 to one thousand.
 Head doctor - 1,500-1,800.
 District doctor - 1,100-1,300.
 Sales clerk in government stores - 500-800.
 Barber (with tips, which are not supposed to exist but which everybody gets) - 1,500.
 Waiter in government restaurants (with tips) - 1,200-1,500.
 Tailor - one thousand.
 Shoemaker (only about 50-60) - 800 to one thousand.
 Streetcar conductor (mostly women) - 500.
 Soldier (EM) - 60.
 Factory chemist - 1,100-2,500.
 Researcher in an institute - 1,100 to three thousand.

6. The cost of living is extremely high and salaries are inadequate to maintain the pre-World War II standard of living. Purchasing power is based on the black market dollar rate of 50 forints whereas the official rate is 13 forints. Below is the yearly budget (in forints) of an industrial worker and his wife, who is also employed. They each earn 600 forints per month; a total of 14,400 per year. They have no children.

| <u>Item</u> | <u>Cost Per Month</u> | <u>Cost Per Year</u> |
|--|-----------------------|----------------------|
| One room apartment without bath. (One room apartments with kitchen and bath cost about 150 per month.) | 70 | 840 |
| Electricity and gas | 6 | 72 |
| Fuel (wood and coal), which must be ordered in March to get it delivered in October) 60 per 100 kgs. This may be paid in installments. | | 600 |
| Radio tax | 12 | 144 |
| Union dues - 1½ per cent of wages. | | 216 |
| Subscription to Szabad Nep (Hungarian Workers Party newspaper to which everyone must subscribe). | 1 | 12 |

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| <u>Item</u> | <u>Cost Per Month</u> | <u>Cost Per Year</u> |
|---|-----------------------|----------------------|
| Membership in the Soviet-Hungarian Friendship Society | 2 | 24 |
| Subscription to the Soviet-Hungarian Friendship Society paper, <u>Uj Vilag</u> . | 1½ | 18 |
| Old age pension - 1½ per cent of wages. | | 216 |
| Subscription to second government Peace Loan of 1951 - 150 per cent of one month's salary, which may be paid in monthly installments. | | 900 |
| Tooth paste (three forints per tube) and soap. | | 36 |
| Food | | <u>7,200</u> |
| | Total: | 10,278 |

These expenditures do not include such things as clothing, recreation, vacation or household furnishings. Furniture is very expensive; a bed-couch combination costs 2,500 forints, a chair 50 forints, an ordinary table 300 forints, and a wardrobe three thousand forints. Linen for sheets costs 50 forints a meter (140 cm wide); there is only one quality available. Dishes and kitchen utensils are also very expensive. The most popular form of entertainment is the movies; they are shown in Russian, Czech, Polish, and French as well as in Hungarian. The cheapest movie seat is 1.50 forints per person. A haircut is four forints, a weekly streetcar ticket six forints and commuters' tickets on the train about 10 forints per week.

7. Food is also expensive. The best produce, such as eggs, fruit, beef, lard, and bacon, is exported to the USSR, East Germany, and Czechoslovakia leaving only inadequate amounts of inferior quality for domestic consumption. Food rationing was discontinued in February 1952. A list of food prices follows:

| <u>Item</u> | <u>Cost in Forints</u> |
|------------------------------|------------------------|
| Beef per kg | 24 |
| Veal per kg | 24 |
| Pork per kg | 28 |
| Chicken - live weight per kg | 30 |
| Bread (dark) | |
| Until December 1951 per kg | 1.80 |
| In February 1952 per kg | 2.80 |
| Sausage per kg | 65 |
| Bacon per kg | 60 (black market only) |
| Milk (watered) per liter | 3.60 |
| Butter per kg | 66 |

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| <u>Item</u> | <u>Cost in Forints</u> |
|---|------------------------|
| Sugar (cube) | 13.40 |
| Granulated beet sugar per kg | 12 |
| Cooked ham per kg | 65 |
| Flour per kg | 4-6 |
| Egg (one) | 2.20 |
| December 1951 | 1.50 |
| In season | |
| Vinegar per liter | 10-15 |
| Salt per kg | 3-4 |
| Paprika per kg | 70 |
| Potatoes per kg (small and of poor quality) | 1.80 |
| Coffee (roasted) per kg | 210 |
| Raw coffee per kg | 350 |
| Black pepper per kg | 1,200 |
| Green peas in season per kg | 2 |
| Green beans per kg | 2 |
| Dried beans per kg | 5 |
| Green peppers per kg | 4 |
| Tomatoes in season per kg | 1 |
| Fruit is rare and of poor quality. Much of it is exported to East Germany and Czechoslovakia. | |
| Melon in season per kg | 1.50 |
| Plums per kg | 2 |
| Apples per kg | 10-15 |
| Oranges (imported from south Russia - not available in 1951) | |
| Lemons per kg (imported from south Russia) | 21 |
| Chocolate per 10 decagrams | 13.50 |
| Lunch in factory restaurant (poor quality - little fat) | 3 |
| Small cup of coffee | 2.80 |
| Apple pie per piece | 1-2 |
| Cake (torte) per piece | 2.50-3.50 |

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Alcoholic drinks are very expensive and scarce. Nevertheless people, especially workers, drink a lot.

| <u>Item</u> | <u>Cost in Forints</u> |
|---|------------------------|
| Ordinary wine per liter | 20 |
| Cognac (domestic) per liter | 60-80 |
| Corn brandy per liter | 50 |
| Beer (one three deciliter glass) | 1.80 |
| Kossuth cigarettes (the cheapest) per package | 25-30 |

The following is a list of prices of clothing, textiles and other miscellaneous articles:

| <u>Item</u> | <u>Cost in Forints</u> |
|--|------------------------|
| Worker's suit (cheap, poor quality) | 800 |
| Pair of worker's shoes | 240 up |
| One shirt | 80 |
| Pair of socks | 13 |
| Suit of underwear (poor quality) | 20 |
| Handkerchief (colored) | 18 |
| White handkerchief | 28-30 |
| Poplin per m | 80-90 |
| Zephyr cloth for skirts per m | 40 |
| Cloth of 40 per cent wool (poor quality) per m | 90 |
| Flannel per m | 50 |
| Face soap per kg | 50 |
| Laundry per 10 decagrams | 3.60 |

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The first five year plan loan was initiated in 1949. Government employees and workers were asked to subscribe at least one month's salary; people did not subscribe as much as had been expected. In the 1950 and 1951 peace loan drives, people were asked to contribute six week's salary. 50X1

9. The policy of the Communist Regime is to nationalize everything. The regime tries to discourage independent businessmen, but there are still a few independent tradesmen such as shoemakers (there were only 50-60 left in Budapest and they have a difficult time getting leather), watchmakers who find it almost impossible to obtain spare parts, tailors who have a difficult time getting textiles, coffee shop and tavern operators, etc. If they hire employees, they must pay them wages which are fixed by the government; they have to pay for the employees' health insurance. In addition, they must pay a sales tax and an income tax. (Government employees do not have to pay income tax as their salaries are adjusted to include it.) The taxes are due

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monthly and delay in payment is punishable by a fine.

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In June 1947 apartment houses and most shops were nationalized. On 17 Feb 52 all houses containing more than six rooms were nationalized. Private ownership of houses with six rooms or more is permitted only when the owner's professional work requires it. One room and a kitchen for two people are considered adequate. If a person's house had extra rooms (by government standards), they had to be rented. Rents are paid to KIK (Koezueleti Ingatlanokat Kezelo Vallalat). People living in houses with gardens pay rent in kind (eggs, chickens, etc).

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Cars were nationalized in June 1951; only 500 to one thousand forints were paid as compensation to each private car owner. By February 1952 gasoline was practically unobtainable, and the only people allowed private cars were Kossuth Lajos Prize winners and other distinguished citizens.

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10. Many public buildings are being constructed in Budapest; new street car lines have been built, and the subway, which is one of the prides of the city, is being expanded. There has been no construction or rebuilding of houses or apartments; nor have hotels along the Danube been rebuilt.
11. Hungarians are required to carry three kinds of identification papers: one which was introduced in February 1951, showing place of employment, another for personal identification, and one showing place of residence. Special permits are needed to move to Budapest, Szeged, Miskolc, and Győr. Citizens may travel freely throughout Hungary except in the Yugoslav border region where special permission is required.
12. Railroads are mostly double-track. Trains run fairly regularly; however, the coal shortage often causes stoppage in service. In the Winter of 1951-52, only the children's car was heated. The equipment is kept in good condition. Government employees are entitled to half fare. In the Summer of 1951 there was an accident between Szekesfehervar and Balaton in which 200 people were killed; no publicity was given to this.
13. Election of government officials is supposed to occur every three years; the last time, however, such an election took place was in 1947. At that time the block trustees posted a list of those eligible to vote in every house; enemies of the people, prostitution house owners, and criminals were not allowed to vote. On election day the polls were open from 0700 to 2000. Voting instructions had been broadcast before election day. The voter first had to identify himself before a committee; then he entered the booth where there was a pencil, an envelope and a list of Communist Party candidates. A cross was put next to the name of the candidate that the voter wanted to have elected. The ballot was then placed in the envelope, sealed, and dropped into the ballot box; if the envelope was not sealed, the ballot was automatically void. In 1950 a vote was held to get approval of the five year plan. If a person approved, he folded the sheet, placed it in the envelope, sealed it, and dropped it in the box. If the voter disapproved he could put a cross at the bottom of the ballot, but there were many people who did not know how to vote against the plan.

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14. All the churches ~~are~~ open and there are still some monastic orders, but the properties of the religious orders were confiscated. There is no interference with religious worship. There is no anti-Semitism as compared to former years; however, there is a tacit resentment against the Jews because many of them are top ~~rank~~ Communists. Many people secretly blame them for the troubles of Communism.

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